

Captain Mines Limited

AUTHORIZED CAPITALIZATION
5,000,000 shares without par value



OFFICERS

M. J. BOYLEN, D.C.L., D.Sc.	-	-	-	-	-	-	-	President
D. W. GORDON	-	-	-	-	-	-	-	Vice-President
GORDON L. MOORE	-	-	-	-	-	-	-	Secretary
CHARLES B. BRANNIGAN	-	-	-	-	-	-	-	Treasurer

DIRECTORS

M. J. BOYLEN, D.C.L., D.Sc.	-	-	-	-	-	Toronto 18, Ontario
CHARLES B. BRANNIGAN	-	-	-	-	-	Toronto 16, Ontario
D. W. GORDON	-	-	-	-	-	Toronto, Ontario
GORDON L. MOORE	-	-	-	-	-	Islington, Ontario
GORDON F. PUSHIE	-	-	-	-	-	St. John's, Newfoundland

HEAD OFFICE

Suite 908, 330 Bay Street - - - - - Toronto 1, Ontario

REGISTRAR AND TRANSFER AGENT


GUARANTY TRUST COMPANY OF CANADA,
366 Bay Street, Toronto 1, Ontario

AUDITORS

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants - Toronto, Ontario



ANNUAL REPORT
For the Year Ended December 31st, 1967



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CAPTAIN MINES LIMITED

Directors' Report

TO THE SHAREHOLDERS:

The financial statements of the Company for the fiscal year ended December 31, 1967, notes relevant thereto and the Report of the Auditors, are submitted herewith.

Province of Nova Scotia

A small diamond drilling programme was undertaken on the 112 mining claims optioned in the Parish of Glencoe, County of Inverness, Cape Breton Island and a study made of results of previous work that had been done on the property. The results of the previous work and the information obtained in our programme indicated that further investigation was not warranted at this time and the option was dropped.

Province of New Brunswick

The Mining Licence held by your Company covering a total of 1,210.7 acres, located in the Parishes of Northesk and Bathurst, in the Counties of Northumberland and Gloucester, is maintained in good standing. Diamond drilling on this property has indicated reserves to a depth of 1,200 feet of 343,000 tons, after dilution, grading 1.99 per cent copper, 0.28 ounces of silver and 0.017 ounces of gold per ton.

Baie Johan Beetz Area, Province of Quebec

Early in the summer of 1967, an airborne radiometric survey was carried out on the 40 claim uranium prospect in the Baie Johan Beetz area of Duplessis County, Quebec. During the summer prospecting and reconnaissance geological mapping was done by Company field crews. Some favourable structures were noted in this work and it is planned to investigate these further in 1968. Sufficient work has been done to keep the claims in good standing until February, 1969.

Northwest Territories

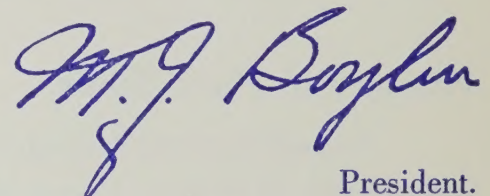
No work was done on the Yellowknife claims in 1967 but their situation has been reviewed because of the renewed interest in gold. Should there be an increase in the price of gold, your Directors will consider the advisability of further development of this property.

General

As reported in the last Annual Report, your Company commenced negotiations for an option to acquire a mining property in the Southern section of the Bruce Peninsula, in the Province of Ontario. This acquisition was not finalized and is now abandoned.

Your Company will continue its policy of prospecting and exploration of mining claims and areas in search of an economic ore body.

On Behalf of the Board of Directors,

A handwritten signature in dark ink, appearing to read "M.J. Boylan". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

President.

Toronto, Ontario,
April 1, 1968.

CAPTAIN MINES LIMITED

(Incorporated under the laws of Ontario)

Balance Sheet—December 31, 1967

(with comparative figures at December 31, 1966)

ASSETS

	1967	1966
CURRENT ASSETS		
Cash	\$ 1,173	\$ 15,166
Bank deposit receipts		25,000
Accounts receivable	6,026	5,571
	<u>7,199</u>	<u>45,737</u>
Investments, at cost (note 1)	73,281	73,281
Mining properties (note 2)	132,739	131,584
Mine development and administrative expenses	291,868	304,949
	<u>\$ 505,087</u>	<u>\$ 555,551</u>

LIABILITIES

Accounts payable and accrued liabilities	\$ 18,903	\$ 18,753
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SHAREHOLDERS' EQUITY

CAPITAL STOCK		
Authorized		
5,000,000 shares without par value, not to exceed aggregate of \$5,000,000		
Issued		
4,316,000 shares	697,229	697,229
DEFICIT	211,045	160,431
	<u>486,184</u>	<u>536,798</u>
	<u>\$ 505,087</u>	<u>\$ 555,551</u>

Approved on behalf of the Board:

M. J. BOYLEN, Director.

G. L. MOORE, Director.

CAPTAIN MINES LIMITED

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 1967

1. INVESTMENTS (No change during year)

3,600 shares Northern Canada Mines Limited (market value 1967, \$4,608; 1966 \$4,500)	\$ 7,935
54,232 shares, Atlantic Coast Copper Corporation Limited (market value 1967, \$35,793; 1966, \$48,808)	54,233
111,134 shares Beauce Placer Mining Co. Limited (market value 1967, \$7,779; 1966, \$3,889)	11,113
	<u>\$ 73,281</u>

2. MINING PROPERTIES

3 mining leases, Yellowknife mining district, Northwest Territories. Consideration given was 1,200,000 shares valued by the directors at 10¢ per share.

1 mining license comprising 1,210 acres in the parishes of Bathurst and Northesk, Counties of Gloucester and Northumberland, Province of New Brunswick. Consideration given was 200,000 shares valued by the directors at 5¢ per share.

40 mining claims in Baie Johan Beetz Area, Township of Desherbiers and projected township 1075, Electoral District of Duplessis, Province of Quebec. Consideration given was cash.

3. CAPITAL STOCK

During 1966 300,000 shares were issued for cash. Total issued shares are as follows:

	<u>1967</u>		<u>1966</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>
For mining properties	1,550,000	\$145,000	1,550,000	\$145,000
For investments	16,000	1,600	16,000	1,600
For cash	2,750,000	550,629	2,750,000	550,629
	<u>4,316,000</u>	<u>\$697,229</u>	<u>4,316,000</u>	<u>\$697,229</u>

AUDITORS' REPORT

To the Shareholders of
Captain Mines Limited:

We have examined the balance sheet of Captain Mines Limited as at December 31, 1967 and the statements of mine development and administrative expenses, deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1967 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants.

Toronto, Canada,
February 16, 1968.

CAPTAIN MINES LIMITED

STATEMENT OF MINE DEVELOPMENT AND ADMINISTRATIVE EXPENSES

Year ended December 31, 1967

	Balance December 31, 1966	Additions during year	Written off during the year	Balance December 31, 1967
MINE DEVELOPMENT:				
Assays and core boxes	\$ 6,035	\$ 283	\$ 558	\$ 5,760
Engineering fees	2,159	2,253	2,181	2,231
Geological surveys	6,492	3,720	1,885	8,327
Geophysical surveys	18,126	585	4,171	14,540
Insurance	118			118
Maps and blueprints	471	557	394	634
Mine office expenses	111			111
Mining licenses and fees	7,768	1,292	1,340	7,720
Road expenses	500	576	576	500
Surface diamond drilling	180,136	7,902	28,325	159,713
Surface exploration	40,810	10,898	6,826	44,882
Travelling and transportation	1,674	2,563	2,024	2,213
	<u>264,400</u>	<u>30,629</u>	<u>48,280</u>	<u>246,749</u>
ADMINISTRATIVE EXPENSES:				
Advertising	695	206		901
Bank charges and interest	2,684			2,684
Corporation taxes	462	36		498
Filing fees	2,338	135		2,473
General expense	458	36		494
Head office administration	21,450	2,700		24,150
Legal and audit	5,114	150		5,264
Office stationery and supplies	1,998	128		2,126
Postage	670	143		813
Security registration	2,223			2,223
Telephone and telegraph	1,005	298		1,303
Transfer agent and registrar fees	5,914	483		6,397
Reports to shareholders	2,791	483		3,274
	<u>47,802</u>	<u>4,798</u>		<u>52,600</u>
Less interest earned	7,253	228		7,481
	<u>40,549</u>	<u>4,570</u>		<u>45,119</u>
	<u>\$ 304,949</u>	<u>\$ 35,199</u>	<u>\$ 48,280</u>	<u>\$ 291,868</u>

CAPTAIN MINES LIMITED

STATEMENT OF DEFICIT

Year ended December 31, 1967

(with comparative figures for 1966)

	<u>1967</u>	<u>1966</u>
Balance at beginning of year	\$ 160,431	\$ 160,431
Mining claims abandoned	1,584	
Cost of option on mining claims not exercised	750	
Deferred mine development written off	48,280	
	<u>50,614</u>	
Balance at end of year	<u>\$ 211,045</u>	<u>\$ 160,431</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1967

(with comparative figures for 1966)

SOURCE OF FUNDS:	<u>1967</u>	<u>1966</u>
Issue of capital stock		\$ 70,000
APPLICATION OF FUNDS:		
Deferred development and administrative expenses	\$ 35,199	33,345
Acquisition of property	2,739	
Cost of option on mining claims not exercised	750	
Purchase of investment		900
	<u>38,688</u>	<u>34,245</u>
Decrease (increase) in working capital position	38,688	(35,755)
Working capital (deficiency) at beginning of year	26,984	(8,771)
Working capital (deficiency) at end of year	<u>\$ (11,704)</u>	<u>\$ 26,984</u>